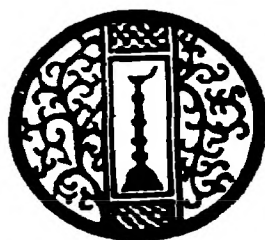


**DEVELOPING ECONOMIES AND THE
JAPANESE EXPERIENCE**

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Saburo Okita



INDIAN COUNCIL FOR CULTURAL RELATIONS

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Welcome Address

Excellencies, Ladies and Gentlemen,

As President of the Indian Council for Cultural Relations, it is my very great pleasure to welcome Dr. Saburo Okita and request him to deliver the Azad Memorial Lecture this evening. This will be the fifteenth in the series of lectures instituted in 1959, as a memorial to the founder of I.C.C.R., Maulana Abul Kalam Azad. This ceremony should normally have taken place in February this year,

but the momentous events which overtook the nation in the spring of 1977, led perforce to the postponement of this lecture till today.

Maulana Azad, to whose memory we pay homage this evening, was a worthy son of Mother India. Amongst the foremost in the struggle for freedom, he proved himself after independence, to be as great a Parliamentarian as he was a democrat. With his erudition, courtly manners and personal piety, Maulana Saheb represented the best in the Indian tradition. His liberal humanism added an extra dimension to his profound scholarship. He was, indeed, a fine flower of Indian culture.

In his capacity as the first Minister of Education in the Republic of India, he was acutely aware that pride in one's cultural identity had to grow before patriotism and genuine independence of mind could be truly established. Conscious of the fact that our unique civilization had survived 5,000 years and flourished, notwithstanding the powerful influences from outside to suppress it during the period of colonial subjugation, Maulana Azad took measures to foster, revive and reinforce the Indian culture and renew our cultural links with other countries. It is with this laudable objective that the Indian Council for Cultural Relations was conceived and set up. Under its aegis, I hope that we will continue to draw from all parts of the world the kind of talent and ideas that would enrich and revitalise

our own social consciousness, through a reaffirmation of the values of tolerance, integrity and humanism, so dear to the heart of Maulana Azad.

This year, when the Indian polity has gone through a second baptism by fire, it is appropriate that we renew our pledge to the ideals which our founding fathers believed in. On this occasion, we are fortunate to have an Economist of such eminence from Japan. Dr. Okita's modest temperament would prevent his claiming so, but he can justly be called the architect of Japan's post-war recovery, which is regarded as one of the economic miracles of our times. Dr. Okita's success lies in the fact that his vision sees economic principles and problems in the larger perspective of national, international, historical and environmental factors. He is perhaps one of those experts whose solutions have found visible demonstration.

Early in his career, during the last World War, Dr. Okita put forward a bold proposal to switch over from industrial production geared to a war economy, to foodgrains, soyabeans and salt for post-war survival. It is to his credit that this proposal was accepted, which averted the addition of a famine to Japan's post-war problems. In the immediate post-war period, Dr. Okita and his colleagues bent their effort to combat an economic collapse, in the midst of Allied occupation and the demilitarisation of Japan. The worst problem even then was spiralling

inflation and a severe depression. Nevertheless, by maintaining the independence of Japanese economy through normal export trade as a major goal, and by allowing the principles of free market mechanism to operate, it was possible to recover Japan's economic activity to the pre-war level by the end of the 50s. Then, the National Income Doubling Plan mapped out in 1960 proved a momentous landmark in transforming Japanese economy from one of post-war reconstruction to that of a spectacular growth. The major credit for this Plan goes to Dr. Okita and his colleagues and for his outstanding performance as Director General of the Planning Bureau of the Economic Planning Agency of Japan—the post he held with distinction from 1956 to 1963.

However, Dr. Okita does not view his mission in the narrow focus of his own country's prosperity, but in the larger context of the Asian reality, functioning within the framework of international economic forces. He is all too aware of the dilemma of an affluent society—the problems of environmental pollution, of urban deterioration and the devaluation of the quality of life. On the other hand, his is the sobering influence which warns, even in the midst of the present euphoria of affluence that “the key problem which will confront Japan in the years ahead is how to live harmoniously with other nations of the world, how to behave in the world economy in a responsible fashion as befits its greatly expanded economic growth”.

Dr. Okita is no stranger to India. For years he has been the Chairman of the Japan-India Joint Committee on Economic Development and has written widely on international economic relations, Asian economic development, etc. We in this country face an entirely different spectrum of economic problems chiefly arising out of our colonial past. We are at the cross-roads of development and of a social revolution, which spins off problems towards which, Dr. Okita has shown sensitive and sympathetic appreciation.

In the international field, we have worked patiently and hard, together with fellow developing countries, to achieve progress on such key issues as the transfer of technology and resources, the crushing debt burden of the developing countries, and for freer access to markets, etc. We have also tried to project the special problems of oil importing developing countries whose vulnerable economies have been severely affected in recent years. As I have mentioned at other international fora, the challenge before us is how to balance national responsibilities with the imperatives of international cooperation.

It is in this context, I am certain that all of you are as anxious as I am, to hear Dr. Okita speak about *The Implications of the Japanese Experiences for the Developing Economies* which would be of relevance

to us. It is with great pleasure that I now request Dr. Okita to deliver the fifteenth Azad Memorial Lecture.

Atal Bihari Vajpayee
Minister for External Affairs, Government of India
President, Indian Council for Cultural Relations

DEVELOPING ECONOMIES AND THE JAPANESE EXPERIENCE

Ladies and Gentlemen,

It is my great honour to deliver the Azad Memorial Lecture today, not only because my predecessors have been such prominent persons as Jawaharlal Nehru, Arnold Toynbee, Lord Atlee, among others but also because this lecture was instituted to commemorate a distinguished person who devoted himself to one of the most important subjects of the human being, education. This is really very

significant and what I am going to talk now partly concerns the importance of education in the economic development.

As for myself, I was involved in the process of post-war economic reconstruction as a planner and as an economist. My first visit to India dates back to 1950 when the Indian Planning Commission had just been created. Since then I have had about a dozen visits to India and have continued interest in the development of Indian economy.

My assignment today is to express my view on the implications of Japan's economic growth for the developing countries. In order to achieve the task, I should like to draw your attention first to a simple but important fact: economic growth of a country is essentially a result of economic efforts made by the people who live there, and nothing else. To put it like this, however, is not to mean that those who are living in the underdeveloped economies—evidently, a big majority of the mankind have not paid enough attention to develop themselves. Rather, what I would like to emphasize here is that there is no cure-all medicine for economic development; each country has its own background, history, religion and tradition. Any economic development scheme cannot be planned without paying due attention to these factors.

It is often asked whether the modernization of Japan

was possible owing to exceptionally favourable circumstances or was it carried out by some sort of necessity and design. Those who ask this question are evidently interested in the latter alternative and try to draw some “lessons” from the Japanese experience. To be sure, learning from old “wisdom” may be useful unless the old wisdom is in fact merely conventional wisdom. One should notice that the old wisdom may be only a stupidity under different circumstances.

The fact is that Japan is neither an ideal model case nor the utterly useless case for developing countries today and the truth is perhaps in between. Incidentally, a study is now undertaken by Professor Kazushi Ohkawa, a well-known economic historian, of the International Development Center of Japan with the collaboration of several foreign scholars on the relevance and irrelevance of Japanese experience to be applied for other countries.

Talking about Japan's experience of economic growth, I would therefore like to emphasize that modernization is not a synonym of westernization. Japanese society of today maintains many elements that are far from being western, and still Japan is the only non-western country that has, more or less, succeeded in modernizing its economy. Many traditional elements played a vital role for the success of this process.

As all of you know, it is said that the modernization

of Japan started in 1868 when the feudal system was replaced by a more outward looking and modernization-oriented government. Although this is broadly correct, we must not forget that the new authorities inherited from the past a lot of factors favourable for economic growth. One such example is education, especially at elementary level. During the feudal age, there had already developed many private educational institutions where elementary reading, writing and arithmetic were taught rather systematically. Although such education had never been obligatory, it was considered that these “three R’s” were basic necessities of the human life. Even in the rural areas, the educational standard was reasonably high, as shown by the fact that the literacy ratio at the time of the initiation of the new educational system with the “1872 decree of education” was already about 30 per cent.

The education policy followed by the new Meiji authorities strengthened and complemented this traditional tendency. While the high level education—university level—was given comparatively less importance, a lot of resources were allocated to improve the primary and vocational education.

The relative neglect of the higher education and the emphasis on the elementary education characterized the Japanese education for a long time to come. On the negative side, we were noted as lacking in creativity, intellectuality, and so forth. On the

positive side, we became rather pragmatic, being able to catch up with and improve advanced technology in order to develop the economy. In short, Japan developed, during the early stage of modernization, a pyramid-shaped education structure with a broad base of primary and vocational education rather than a pillar shape one.

I am sure there are pros and cons to such a policy orientation. One might argue the importance of the higher education for one reason or another. To be sure, we should not neglect the negative aspect of such educational policy.

With these reservations, however, I dare say that such an orientation of education policy basically reflected the pragmatic choice of the policy makers at that time. Incidentally, I was invited in 1966 by the Indian Education Commission chaired by Dr. D.S. Kothari to prepare a report on Japan's experience in education and economic development. I made a few comparisons in that report between India and Japan. One of the findings I remember was that the number of students at the higher education level in India accounted for 3.9 per cent of the age group in 1965 while in Japan in 1920—the year corresponding to India's 1965 in terms of per capita steel production and electricity generation the ratio was 1.6 per cent of the age group.

Let me now turn to industrial policy. Industrial policy by itself is a very big topic. We have actually

operated two types of policies since the early period of modernization. One policy was to establish industries to serve defence needs, examples being the development of the steel and ship building industries and some machine-making industries. They were geared specifically towards the needs of military requirements. In the 1930's the automobile industry was established to produce the trucks and vehicles required for military mobility. Many of the present day heavy industries originated this way. Thus one source of industrial development in Japan was the overriding need of the Government and these industries were established even if from other points of view they were uneconomic. The Government guaranteed their survival. The Government gave them tax concessions and sometimes even underwrote their dividend obligations. Those were the industries which the Government considered necessary for the defense of the nation. Secondly, there were industries that developed spontaneously through the mechanism of market forces. The cotton textile industry was a case in point. The cotton industry was imported from England at the beginning of the period of modernization. The cotton industry is located mostly in the western part of Japan. They were proud of their achievements in not depending upon government subsidies or support but rather relying on their own resources.

So, in a nutshell, we started with industries artificially induced into existence for defence purposes, e.g.

the heavy industries parallel with the spontaneous growth of light industries in response to market demand. Japan was a late-comer on the industrial scene so we had the advantage of the accumulated experience of the older industrial nations to guide us. When we compare our industrial policy with that of the other advanced countries like European countries and the United States, we see one clear distinction. They did not derive the benefit of precedence in other countries; their industries grew up *pari-passu* with the local market under private initiative. The Government hardly intervened, much less to set output, target goals. On the other hand our Government and our business people very carefully studied the industrial field, searching for those industries with future potential; those in which we would have comparative advantage in the world market and the type of support that should be extended to these industries in their formative years. The automobile industry is one such example. The Government closed the door to foreign firms who wanted to invest in the industry in Japan. The policy, simply, was that the automobile industry was a promising field and therefore, until our industry became competitive, no foreign investment should be allowed in that sector. If we had allowed foreign investment too early we would not have developed the sound footing we have in the industry today. The policy was: careful selection of industries; prevent ruinous competition at the infancy stage,

nurse them up to a competitive stature and then we expose them to outside competition. This has more or less been the industrial policy of Japan. Here Western nations frowned upon our methods but we felt it was the right policy for the late-comer to pursue. A developing country should of course protect its infant industries, especially, those industries that have a chance of success. But there are also dangers in over-protection. Then domestic consumers are unnecessarily penalised with inferior products and high prices. Our policy was to give protection for a specified period and thereafter to gradually phase out all protections. I favour such a policy as an aspect of economic planning—to state the target of production to be achieved in specified years and a graduated programme of reducing protection, until it is completely abolished. This is necessary because if you keep protection on indefinitely even uneconomic industries would survive and consumer welfare will be reduced and resources will be misallocated. You will have scarce resources “fixed” in uneconomic industries which will require perpetual protection. Protection means a transfer of tax revenue from the public to certain specific industries. In most countries savings are very scarce and therefore must be used most selectively and not wasted on industry irrespective of whether it is publicly or privately owned. Whether publicly or privately operated, they must make profit after a certain period—not profit from protection but profit

from competition.

It is not easy to do this because once protection is granted vested interests get entrenched. My suggestion is that the Government, in principle, should not grant protection for too long a period, say not longer than 10 years, and to phase out protection gradually. If they cannot compete without protection even in their own home markets how could they compete in foreign markets? The Government will have to make its policy clear on the matter. Then people will be more careful about the types of industries they will operate and the appropriate technology to employ since they know that eventually protection will be removed. Then they will choose techniques of production that minimise costs and use resources—capital, labour and raw materials—effectively. I think this is one of the most important aspects of industrialization policy that developing countries should study seriously.

I am of the opinion that industrialization is definitely necessary to increase national income and to attain a reasonable rate of economic growth. At the same time I should emphasize the importance of agriculture as the basis of industrialization. Without a sound agriculture you cannot provide domestic market for industrial productivity and initial source of savings to finance industrial development. Granted that industrialization must be an important part of development strategy, the question then is, what are

your priorities and sequential targets? What is the orientation of government policy? These are the questions I have tried to answer for the Japanese economy.

Another important aspect of industrialization is the development of small industries. This is a crucial link in the industrial chain. But we need to make the distinction between small industry and cottage industry. People often mix the two up. Cottage industry is mostly based on handicrafts. You can produce souvenirs as a cottage industry but you cannot produce competitive modern industrial products by cottage industry. This is a very important distinction. You can apply electricity and other capital appliances in the small industry and you can enforce some minimum product standards on small industries. They can compete with modern products. In the Japanese case small industries grew up side by side with the development of large-scale capital intensive enterprises both in terms of number and range of products. Total industrial output has increased but the small industry has survived. In earlier times hand work was the main source of industrial production. Gradually we introduced machines, especially, the use of small motors—one example being the sewing machine industry. The parts of the sewing machine were produced in the small enterprise, sometimes a family size enterprise. But the machines were assembled by a big firm. Similarly, the bicycle industry where the

parts are manufactured by small unit enterprises. But those small unit enterprises have a system of subcontractory and the small unit or family enterprise receives technical assistance from the parent company. Thus the small-scale is integrated with the large-scale industry.

The organization of small industries is a very important matter in Japan. In this connection I would just like to mention the role of the local government. The Central Government often is too remote from the small enterprises, so the local government assume the responsibility to assist them. Several years ago the late Professor Gadgil, a well-known Indian economist and one time Deputy Chairman of the Planning Commission of India, visited Japan. He was very impressed with the functioning of our prefectural (local) government. We have some 46 prefectures in Japan. Professor Gadgil was amazed at the extent to which the local administration system was committed to the solution of the problems of small industries in their locality. They knew the facts and details of these industries and where they were located. They had technical departments which offered technical assistance to small entrepreneurs as well as extension services to farmers. This was the aspect of the government machine which impressed him most and he told me that personally. He remarked that in contrast, local governments in India were sometimes nicknamed "collectorate" i. e. the office to collect tax and nothing else. It was not

considered as an important part of the functions of local government administration to encourage local industries or assist the agricultural sector. He left convinced in the opinion that India needed reforms in the local government administration to orient it directly towards economic progress and especially, the development of small-scale economic activity.

Now a few words about technology. One of the most favourite topics in development economics today is the transference of technology. What are the mechanisms? How do you transfer technology from one source to another? How do you adapt imported technology to local needs and conditions? Those are important topics. Sometimes Governments in developing countries feel that they must import the most modern technology and all its capital structure without regard to their suitability within the context of the resources in their own countries. So you end up with labour saving factories in labour surplus economies. Such a factory does not create much employment but it eats up a very large part of the available scarce capital. A major problem of developing countries today is that in their bid for industrialisation they have imported technologies which were developed in the advanced countries where labour is scarce, and wages high and capital is relatively cheap. Technology must be adapted to the relative scarcities of resources or else such resources are wasted. There is also the additional problem of maintaining the up-to-dateness of the

technology. A most modern factory today would be obsolete in five years. This requires that *you must yourself build up a technological capability to enable you to modify your technologies, and introduce improved innovations.* That is what we did and Japan is sometimes referred to as the “improver” of technology. The basic ideas may be imported but we adapt it, toy with it and eventually improve on it. The most outstanding example being electronics. The transistor was invented in the United States. It was imported into Japan, we tinkered with it and through continuous improvement our achievements have been outstanding. We are now very competitive in the electronics using transistor throughout the world. The story is true of even our iron and steel industry. In the beginning the mills were imported but with improvements, we obtained higher output than was expected from the designed capacity. I remember the case of one synthetic rubber factory. Their motors were overloaded and they had to replace them with larger capacity motors. The blueprint was originally designed by a foreign engineering firm for an output level of 50,000 tons a year but with modification the factory was producing 70,000 tons. This caused the overloading but in replacing the motors with larger ones, the factory management succeeded in modifying the original design for more efficient production.

Some industries started in Japan as a repair shop. For example, one of the largest companies in

machine industry started as a small repair shop of a copper mine. Repair factories are economically very important. They raise the utilisation rate of existing capital equipment considerably.

In short, basic characteristics of the Japanese industrial progress are pragmatism, cost-consciousness and improvement of technology.

Let me now turn to agriculture. Japanese agriculture was based on small farmer cultivation in small holdings. The average cultivated area per farmer was about 0.8 hectares. This has been the case for the last several decades. The size of a holding is small and before the Second World War, nearly two-thirds of the farmers were tenant farmers. After the War, far-reaching reforms in the Japanese social system were introduced. The land reform abolished the old tenure system and tenant farmers became proprietor farmers in their own right. This resulted in intensive farming but did not change the average size of holdings. Foreign observers contend that Japanese agriculture is not agriculture but horticulture. You will find that there are very elaborate ways of doing things on the farm. Until recently, we had a surplus of population especially in the rural areas—a situation which persisted for many decades. It is only recently that with rapid expansion, the economy has been able to absorb the surplus labour. Since, before the War, land was the scarce factor relative to labour. The main issue

was how to raise the productivity of land; namely, how to obtain the maximum output per hectare of land. That was essential objective of agricultural policy. We were not, before World War II, bothered by concepts of full employment. We concentrated more on total employment, not full employment, nor unemployment. Thus Government policy was geared mainly towards realising higher yields from any given land. Recently it has become necessary to introduce labour saving technology in agriculture. The agricultural labour force dropped from 38 per cent of total labour force in 1955 to 12 per cent in 1975. This sharp decline in the share of agriculture in total work force has necessitated the substitution of mechanized technology for labour in agriculture. Until then, agriculture was a very labour intensive activity and per hectare productivity was high. For example, a hectare planted to rice in Japan yielded six tons, three times as a hectare planted to rice in South and Southeast Asia. The high yields were in part due to the adoption of high yield varieties. The high yield varieties developed in Japan however, suited conditions in temperate zones. Then several years ago the International Rice Research Institute in the Philippines developed high yielding rice varieties suited for tropical conditions which was originally developed in Taiwan during Japanese period before the Second World War. Thus labour intensity and high productivity from the use of high yield varieties were the

characteristics of Japanese agriculture for many years.

The next important aspect of Japanese agriculture is the role of agriculture co-operatives, in the promotion of agriculture. These cooperatives are widespread and they engage in a number of agriculture related activities. They organise credit financing, the purchase of such inputs as fertilizers, insecticides and farm machinery and also the sale of agricultural products. These co-operatives even organize sight-seeing trips to neighbouring Asian countries. The name for an agricultural co-operative in Japanese is "Nokyo". It promotes productivity by linking agriculture to the mainstream of the industrial economy. The Government's contribution is by way of research and extension services. Subsidy payments are also made when the Government considers it in the national interest that new technologies should be adopted by the farming sector. For instance, farmers were encouraged through subsidies to adopt better silkworm techniques and humidify their orchards. The Nokyo are always important instruments for the implementation of such policies.

In spite of the improved agricultural production, import dependency of food has risen in recent years to about 50 per cent of the total consumption measured on original calorie basis which include the indirect consumption of cereals as animal feed. There was a sharp increase in the animal protein intake

per person per day from 22.6 grams in 1956 to 40 grams in 1975 half of which was from fishes. Another 40 grams of protein intake was from vegetable sources. Fat and oil intake was also doubled during the same period with the improved nutritional level, which is still much lower in animal protein and fat intake as compared to Western diet. Life expectancy reached 72 years for men and 77 for women in 1976. Infant mortality has also dropped sharply to 11 per thousand : one of the lowest in the world and about one tenth of the figure for the 1930s. Dr. Toshio Ohiso, one of the leading nutritionists in Japan once wrote as follows :

“The Japanese nutritional experience has potential value for other countries. It illustrates a high level of nutritional state and national health attainable with a largely vegetarian diet, high in carbohydrate, low in fat, and using fish and animal as complementary source of protein. This is significant for developing countries that must select specific goals for adequate national nutrition and for advanced countries that have the freedom to change their diet.”

Here I would like to mention briefly about the plan for “doubling rice production in Asia” which was prepared originally by myself and Dr. Kunio Takase in March, 1976. The 1977 Review of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) included the following paragraph :

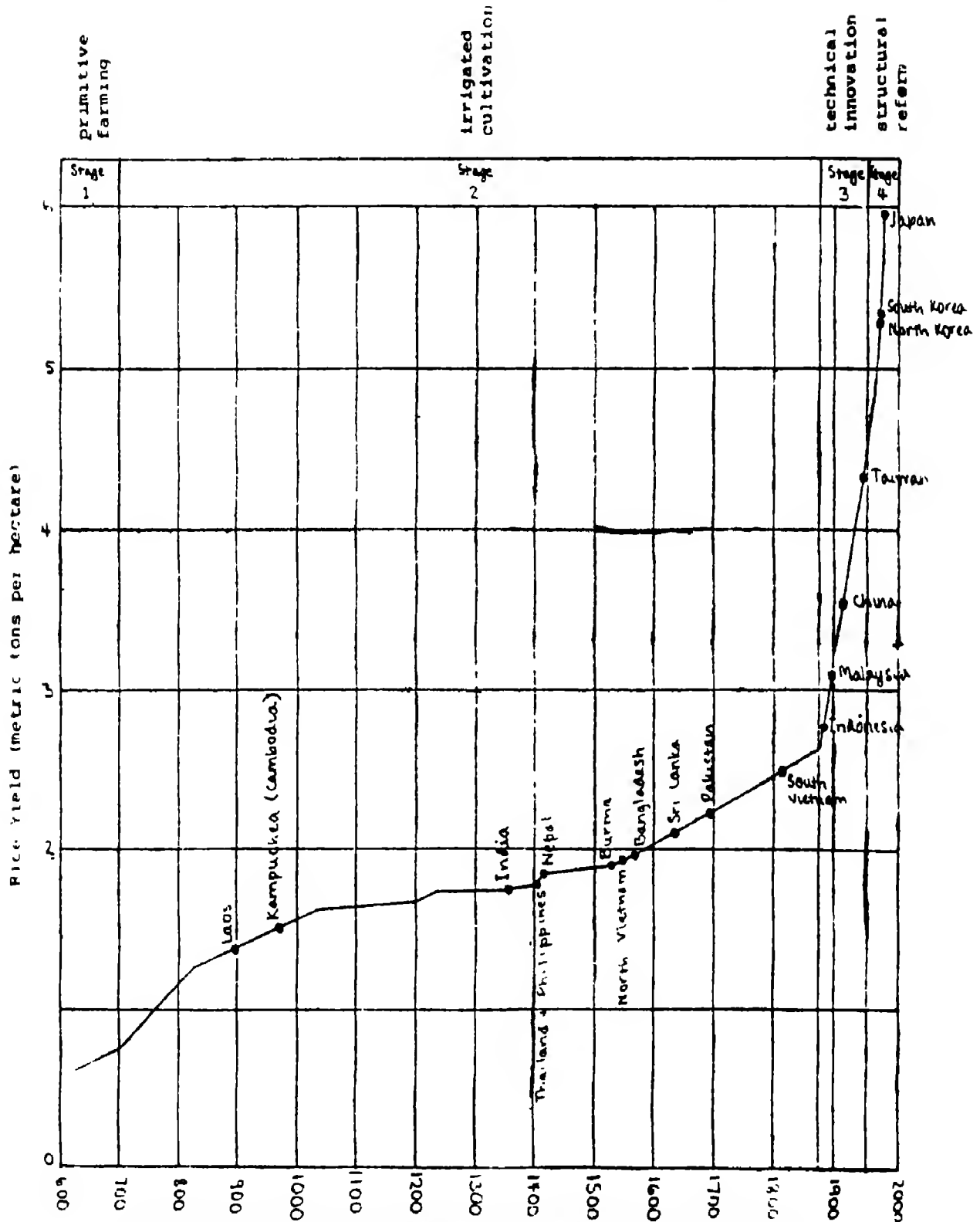
“There is large scope for increasing yields through more effective use of irrigation systems, especially throughout the rice culture areas of Asia. The experience of Japanese agriculture, which is characterized by small-scale family farming, provides an excellent example of the possibilities and requirements. It is characterized by integrated use of the components for high yields, the initiative and training of small farmers, a high level of effective water control, and the supporting policy of the Government. There is wide scope for increasing yields in most developing Asian countries through improved management and upgrading of existing irrigation systems. These initial measures would provide assurance as to the profitability of follow-on large scale investments in new irrigation schemes in Asia”. A footnote attached to this paragraph introduces Okita-Takase plan mentioned above. The basic idea of this plan is as follows :

Majority of the poor people in the world live in Asia and rice is the major staple food for most people living in monsoon areas; the World Food Council projected 40 million tons of rice deficit in Asia in 1985 unless vigorous efforts to raise production are made. The per hectare yield of rice in South and Southeast Asia is about one-third of Japan and one-half of Korea or Taiwan; for rice cultivation, a controlled water supply and drainage is essential. (See chart 1 and 2 attached to this text) Since there

Chart 1

CORRELATION OF INTENSIFICATION OF FARMING AND YIELD OF RICE

(based on historical progress of rice production in Japan)

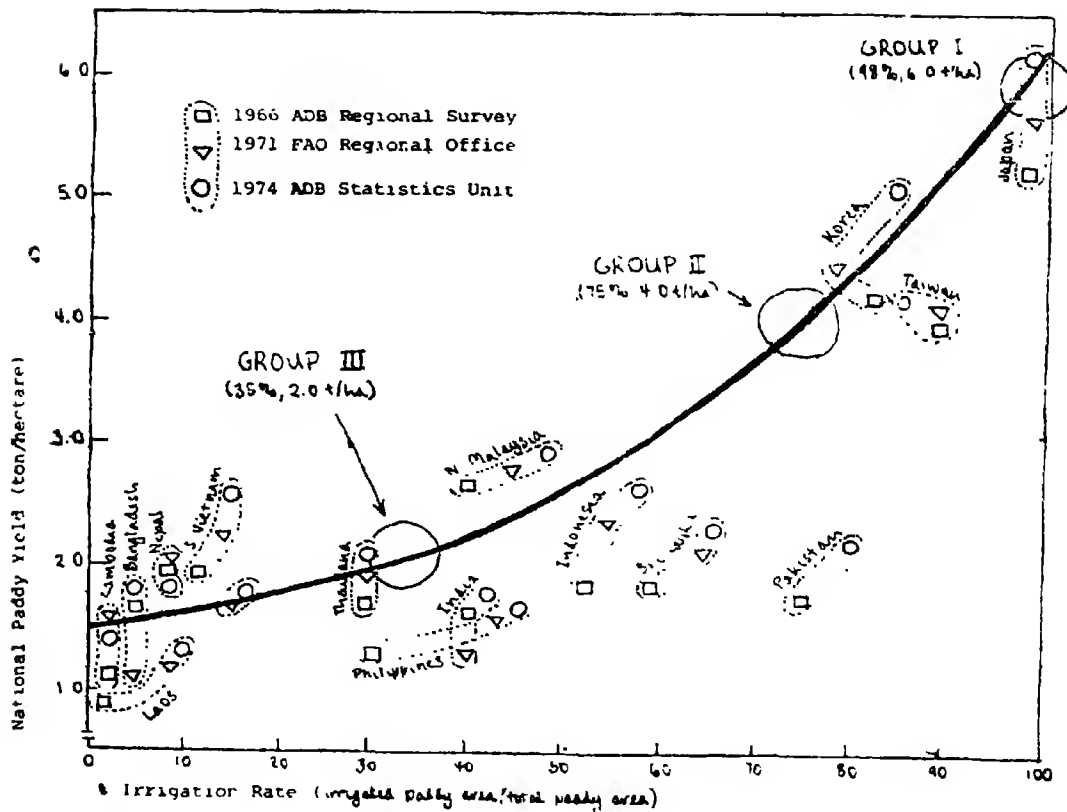


Sources: Asian Agricultural Survey, Asian Development Bank, 1969, p. 520.

"Development Strategy on Irrigation and Drainage", by K. Takase and T. Kida.

Chart 2

RELATIONSHIP BETWEEN IRRIGATION RATE AND PADDY YIELD



Source: S. Okita and K. Takase "Doubling Rice Production Program in Asia" March 1976

is a close relationship between the rate of irrigation and the per hectare yield of rice, use of fertilizers and high-yielding varieties of seed should be combined with a better irrigation system. Therefore, a substantial amount of investment is needed for irrigation, and both domestic and foreign resources should be made available for this purpose. In order to double the rate of irrigation in South and South-east Asia about 54 billion dollars (in 1975 price) over 15-year period is estimated necessary, which is about twice as much of the current investment for irrigation. I consider this plan as one of the concrete projects which will be useful if and when the world requires a "Global New Deal" which may become necessary to fight against a prolonged recession of the world economy.

Ladies and Gentlemen—I have dealt with three topics thus far—education, industrialization and the role of agriculture. In my view, the economic development of a country should be carried out by paying due regards to many traditional factors. It is wrong to regard these factors only as deterrent to economic growth. What is needed in fact is to think out of the way by which these factors may be usefully employed for the purpose of economic growth. Here again, I would like to emphasize the importance of education to the development and close my lecture by quoting from an ancient Chinese sage who stated impressively the importance of education :

if you give a man a fish, he can eat it once; if you
teach him how to fish, he can eat fish for his life
time.

Thank you

Saburo Okita
13 December, 1977

VOTE OF THANKS

Mr. President, Excellencies, Ladies and Gentlemen :

As the Secretary of the Indian Council for Cultural Relations, it is my privilege and pleasure to offer a vote of thanks on this important occasion. We have been fortunate to have a brilliant galaxy of luminaries to address us at this annual commemoration of our Founder, to which Dr. Okita now lends his own lustre.

Sir, we are touched by the gentle tribute you have

just paid to the memory of Maulana Azad, whose enlightened vision laid the foundations of the educational and cultural policy of the Government of India.

We have just heard in simple, modest tones one of the great living economists lucidly explain the basic reasons behind Japan's spectacular economic development, which is worth pondering on. After Independence, a major preoccupation in India, both of the Government and of the intellectuals, has been the development of our economy and industrialisation. We have had our own experimentation, our successes and failures. On one point we are in complete agreement with Dr. Okita, when he says "that economic development of a country should be carried out by paying due regard to its traditional factors". This has been the principle of our economic planning also.

Dr. Okita, on behalf of this distinguished audience here and on my own, I take this opportunity to thank you for your gentle, thought-provoking lecture, for which you have so generously spared the time and made the effort to come all the way to New Delhi between important engagements. You are no stranger to India and your sensitive and sympathetic outlook has contributed towards a better understanding between our two countries. Your contribution towards the prosperity of your own country is well-known. We are so gratified that you accepted

our invitation to come and you spoke on a subject of your own choice but which is so relevant to us today.

May I also take this opportunity to thank our President, Shri Atal Bihari Vajpayee who despite his onerous responsibilities and a heavy schedule has spared his precious time to preside over this occasion. Sir, your encouragement and support sustains us in our endeavours.

Finally, on behalf of my colleagues and myself, may I thank this most distinguished and responsive audience who have come all this way to join us this evening.

I thank you all once again.

*S. Kochar (Mrs.)
Secretary
Indian Council for Cultural Relations*